

Overview of non-life insurance undertakings in the 3rd quarter of 2016

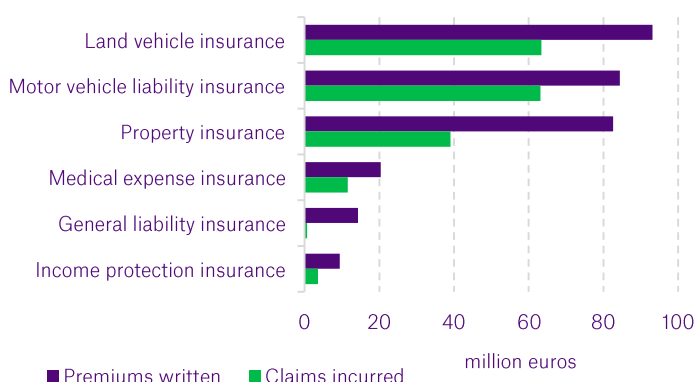
	Q2 2016	Q3 2016
• Volume of premiums written	107	↓ 104 million euros
• Volume of claims incurred	59	↑ 63 million euros
• Volume of assets	652	↑ 658 million euros
• Net combined ratio	91.8%	↓ 91.2%
• Profit	12	↓ 10 million euros
• Solvency capital requirement (SCR) coverage	204%	↑ 207%

The volume of insurance premiums written by non-life insurance undertakings operating in Estonia amounted to 104 million euros in Q3 2016, i.e. 2.6% less than in Q2. In annual comparison, however, the volume of premiums has increased: during the first three quarters of the year, premiums amounted to 319 million euros or 8.5% more than a year before. The volume of premiums has grown in most non-life insurance undertakings.

The volume of claims incurred has increased, amounting to 63 million euros in Q3 or 5.8% more than in Q2. The volume of claims reached 187 million euros during the first three quarters of 2016.

The biggest non-life insurance class is land vehicle insurance where premiums were written in the amount of 93 million euros or almost a third of all premiums during the first three quarters of 2016. The most claims incurred also in land vehicle insurance: 63 million euros or similarly about one third of all claims. Land vehicle insurance is followed by motor vehicle liability insurance and property insurance. The volume of premiums written amounted to slightly more than 80 million euros for both insurance classes during the first three quarters of the year.

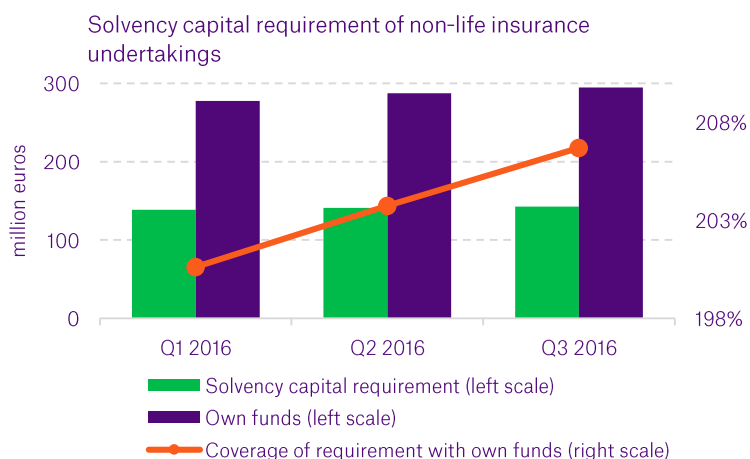
Non-life insurance premiums collected and claims incurred during the first three quarters of 2016



The net combined ratio or expense ratio with claims ratio of non-life insurance undertakings was continuously good in Q3: 91.2%, around the same as in Q2. Claims ratio increased during the quarter while expense ratio declined. The market as a whole is in a technical profit, i.e. with a combined ratio below 100%, only land vehicle insurance is earning a loss.

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The capitalisation of the non-life insurance sector is good and has slightly improved even more. The solvency capital requirement (SCR) which shows the actual risk profile of an insurance undertaking in the Solvency II framework, is covered with suitable own funds. The coverage of the requirement rose from 204% in Q2 to 207% in Q3. SCR is met by all non-life insurance undertakings.



Main developments and risks

- The share of foreign branches in the Estonian non-life insurance market has increased: while they covered 22.5% of the market in 2015, that share rose to almost a quarter of the market (24.8%) at the end of Q3 2016. During 2016 the growth in the volume of premiums has been the fastest in these branches operating in Estonia.
- Land vehicle insurance still has a negative outcome and property insurance is earning profits.